

## MODERNIZATION OF THE HONDURAN CONGRESS

(HO-0123)

### EXECUTIVE SUMMARY

<b>Borrower:</b>	Republic of Honduras	
<b>Executing agency:</b>	The Congress of Honduras through the project executing unit	
<b>Amount and source:</b>	IDB (FSO):	US\$2,600,000
	Local:	US\$ 650,000
	Total:	US\$3,250,000
<b>Financial terms and conditions:</b>	Amortization period:	40 years
	Grace period:	10 years
	Disbursement period:	4 years
	Interest rate:	1% for the first 10 years
		2% for the next 30 years
	Inspection and supervision:	1%
<b>Objectives:</b>	Credit fee:	0.5%
	<p>The general objective is to strengthen congress's legislative, oversight and representation functions by improving its technical and material apparatus.</p> <p>The specific objectives are to: (a) institutionalize technical support for congressional committees to improve the quality of law-making; (b) improve legislative procedures to make the work of members of congress more efficient; (c) establish new channels for dialogue and participation between congress and civil society; (d) upgrade congressional human resources; and (e) introduce information systems for legislative work.</p>	
<b>Description:</b>	<p><b>Subprogram A: Strengthening the legislative function (US\$1.5 million)</b></p> <p>This subprogram will finance the following components: (1) creation of a technical advisory system for congressional committees; (2) modernization of legislative procedures; (3) creation of mechanisms for citizen participation and public information about legislative activities; (4) upgrading for congressional human</p>	

resources and (5) technical assistance in drawing up a proposal for institutional reforms in congress.

**Subprogram B: Modernization of information systems (US\$1.2 million)**

The following components will be financed: (1) creation and start-up of a legislative information system for congress; (2) expansion and upgrading of congress's technical platform; (3) introduction of a computer training system; and (4) strengthening of the technology function of the Legislative Information and Studies Center (CIEL).

**The Bank's country and sector strategy:**

The country paper establishes the following priorities for Honduras under the master plan for national reconstruction and transformation: (i) faster economic growth and poverty alleviation; (ii) sustainable management of natural resources; and (iii) consolidation of democratic participation through complementarity between the State and civil society.

**Environmental and social review:**

The Committee on Environment and Social Impact considered this project at its meeting on 29 September 2000, and found that it had no environmental impact.

**Benefits:**

The project will help to consolidate the country's democratic institutions, seeing as how smooth operation of congress is essential for channeling citizen participation and achieving the social consensuses needed for the legitimate formulation of public policies. The project will also facilitate knowledge of current legislation, public information on the work of the legislature and an improved and more dynamic law-making process.

**Risks:**

The project's success largely depends on its assimilation by the country's legislative community and political/legislative consensus in supporting its implementation. The project will mitigate that risk by establishing a Modernization Committee, as an all-party mechanism to ensure that the process of modernizing congress will have broad support. In addition, the speaker of the legislature, its officers and other senior officials have formally committed their support for the project and have been working together with the project team from the start of project preparation. Another key factor in reducing risks is that the operation does not depend on legal reforms or reforms to internal congressional rules that could pose difficulties in reaching the legislative consensuses necessary for its approval.

**Special contractual clauses:****Conditions precedent to the first disbursement (see paragraph 4.18)**

- a. Evidence that an agreement to allocate funds has been reached between the executive branch, through the Department of Finance, and congress.
- b. Preparation and approval of the project's operating regulations.
- c. Contracting of a permanent information systems manager for the Legislative Information and Studies Center.
- d. Contracting of a national project coordinator and establishment of the executing unit.
- e. Establishment of the congressional Modernization Committee.

**Conditions precedent to disbursements for each subcomponent (see paragraph 4.19)**

- a. The subcomponent to create the position of technical secretary for legislative committees: Approval of an internal resolution proposed by the speaker of congress to create the position of technical secretary and the Directorate of Technical Assistance for Congressional Committees.
- b. The subcomponent to install an electronic attendance and voting system: Amendment to articles 62 and 64 of the congressional rules to allow for introduction of the new system.

**Poverty-targeting and social sector classification:**

This operation does not qualify as a social equity enhancing project, as described in the indicative targets mandated by the Bank's Eighth Replenishment (document AB-1704). Furthermore, this operation does not qualify as a poverty-targeted investment (PTI).

**Exceptions to Bank policy:**

None.

**Procurement:**

The goods and consulting contracts necessary for the project will be procured in accordance with Bank procedures and policies. Goods costing US\$250,000 and over will be procured through international competitive bidding. The project will finance technical assistance and consulting services for technical advice, training, studies and designs and the start-up of a plan to modernize information systems. International competitive bidding will be held for consulting contracts costing more than US\$200,000.